

This Section for DOGM Use:
Assigned DOGM File No.: S1027/0093
DOGM Lead: Wayne
Permit Fee \$ _____ Ck# _____
Task 3843

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

RECEIVED
NOV 04 2010
DIV. OF OIL, GAS & MINING

CONFIDENTIAL
NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The information requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

Note on confidentiality: Information provided in the notice of intention relating to the location, size, or nature of the mineral deposit that is clearly marked confidential will be protected as confidential. Each page or map requested to be kept confidential must be stamped or marked as such. The requested confidential information must describe how the confidential material relates to the location size or nature of the mineral deposit; provide a written claim of business confidentiality; and/or include a concise statement of reasons supporting the claim of business confidentiality, unless disclosing the location of explosives or historic, prehistoric, paleontological, or biological resource that must be considered confidential under statute.

"Small Mining Operations" are operations which have a disturbed area of five or less surface acres at any time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: WT Mine
2. Legal name of entity (or individual) for whom the permit is being requested: Penney's Gemstones LLC

Mailing Address: PO Box 312
City, State, Zip: Beaver UT 84713
Phone: (435) 421-9777 Fax: _____
E-mail Address: epartner77@gmail.com, ep7art@mac.com

Type of Business: Corporation (☐), LLC (☒), Sole Proprietorship (dba) (☐)
General Partnership (☐), Limited Partnership (☐), Or: Individual (☐).

Business Entity (not individuals) must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) If not currently registered, contact www.commerce.utah.gov to renew or apply. Business Entity #: 4925197-0160

3. Contact Person(s):

Registered Utah Agent (as identified with the Utah DOC) (if individual leave blank):

Name: David Penney Title: Registered Agent

Address: same as above

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

I.3. Contact Person(s) (continued):

This person to be notified for: permitting (☒) surety (☒) (check all that apply)

Name: David Penney _____ Title: RA _____

Address: PO Box 312 _____

City, State, Zip: Beaver, UT 84713 _____

Phone: (435)421-9777 _____ Fax: _____

Emergency, Weekend, or Holiday Email: epartner77@gmail

E-mail Address: ep7art@mac.com _____

This person to be notified for: permitting (☒) surety (☒) (check all that apply)

Name: Heather Scholz _____ Title: Manager _____

Address: **same as above** _____

City, State, Zip: _____

Phone: _____ Fax: _____

Emergency, Weekend, or Holiday Phone: _____

E-mail Address: _____

4.

If Business is a Limited Liability Company: Member Managed (☐) Manager Managed (☒)

Name of 1st Member/Manager: not applicable _____ Title: _____

Business Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

Name of 2nd Member/Manager: _____ Title: _____

Business Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

5. **Ownership of Land Surface:**

Private (Fee) _____ Public Domain (BLM) _____ National Forest (USFS) _____
State Trust Land/School Sections X State Sovereign Lands _____
Other (please describe): _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) _____ Public Domain (BLM) _____ National Forest (USFS) _____
State Trust Land/School Sections X State Sovereign Lands _____
Other (please describe): _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

BLM Claim Number(s): _____
Utah State Lease Number(s): _____

BLM/USFS Lease or Project File Number(s): _____

Name of Lessee(s): _____

7. **Have the above surface and mineral owners been notified in writing?** Yes X No

If no, why not?

8. **Does the Entity have legal right to enter** and conduct mining operations on the land covered by this notice? Yes X No

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location & Map** (legal description):

County(ies): see map on file

_____ 1/4, of _____ 1/4, of _____ 1/4, Section: _____ Township: _____ Range: _____

_____ 1/4, of _____ 1/4, of _____ 1/4, Section: _____ Township: _____ Range: _____

_____ 1/4, of _____ 1/4, of _____ 1/4, Section: _____ Township: _____ Range: _____

UTM East: _____ (if known) UTM North: _____ (if known)

Name of Quad Map for Location: _____

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.

a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.

b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:

- i. The area to be disturbed;
- ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
- iii. Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106)

1. **Type of mining:** Surface (__X__) Underground ()

2. **Mineral(s) to be mined:** calcite maganese, gemstone, and any other industrial mineral

3. **Amount of material** to be extracted, moved, or proposed to be moved:
dependent on market conditions estimated amount less than or equal to 100 tons per yea r

4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process? Yes () No (__X__) If yes, please describe (add extra pages if needed):

5. Provide a brief **description of the proposed mining operation** and onsite processing facilities (add extra pages if necessary). Operations are intermittent and portable.

6. (NA) **New Road(s)**: Length _____(ft), Width _____(ft)
7. (NA) **Improved Road(s)**: Describe improvements that need to be made to existing roads to access the site, including the Length _____(ft) and Width _____(ft) of new disturbances.
-

8. Total project surface **acreage to be disturbed**: <1acre _____(acres) PLEASE SPECIFY EXACT ACREAGE (this will be used to determine surety bond amount – see #VI).
9. Proposed **startup date** (month, year): NA, existing operation _____
10. Proposed **completion**, if known (month, year): NA unknown _____

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover or within practical limits. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at:
https://fs.ogm.utah.gov/pub/MINES/Coal_Related/RecMan/Reclamation_Manual.pdf.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*

14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance must be approved writing in advance by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measures to be utilized to meet the intent of the rule. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

Are variances being requested? Yes (☐) No (☒)

(continued on next page)

1st Variance Requested

Item # _____ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)

Justification:

Alternate methods or measure to be utilized: _____

2nd Variance Requested

Item # _____ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)

Justification:

Alternate methods or measure to be utilized: _____

Attach additional page(s) if more variances are requested.

VI. SURETY (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. No surface disturbance is authorized until the surety is posted and approved in writing. The surety may be provided in the form of a certificate of deposit, a letter of credit, a surety bond, or cash. Please contact the Division for further information about submitting the surety. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

VII. PERMIT FEE (Utah Code Ann. §40-8-7(1)(i))

A permittee's authorization under a notice of intention to conduct small mining operations shall require the paying of permit fees as authorized by the Utah Legislature (R647-3-102.5). Permit fees are assessed to new and existing small mining operations, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee, which must accompany this application, or the Division cannot process it.

VIII. SIGNATURE REQUIREMENT

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; **or** (4.) the member or manager if applicant is a limited liability company.

Signature: _____ Date: 11/5/10_____

Name (typed or printed): David L Penney_____

Title/Position (if applicable): Registered Agent_____

/Users/davidpenney/Documents/STATE UTAH-smo-09142010.odt